

April 4, 2025

VIA ECF

Honorable Margaret M. Garnett
United States District Court
Southern District of New York
40 Foley Square, Room 2102
New York, NY 10007

Re: Celsius Network LLC et al. v. Chainalysis Inc., 25-CV-02669 (MMG)

Dear Judge Garnett:

We write jointly on behalf of both parties in the above-referenced action. In accordance with Rule I(B)(5) of the Court's Individual Rules and Practices, we respectfully write to request that the Court so-order the enclosed Stipulation and Proposed Order regarding withdrawal of the bankruptcy reference and extending Defendant's deadline to respond to the complaint.

On March 22, 2025, Celsius Network LLC and its affiliated debtors, by and through the Blockchain Recovery Investment Consortium, LLC, acting in its capacity as the Complex Asset Recovery Manager and Litigation Administrator ("Plaintiff"), filed a complaint (the "Complaint") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") against Chainalysis Inc. ("Defendant"), asserting one claim for aiding and abetting breach of fiduciary duty and fifteen claims under various state consumer protection statutes (the "Adversary Proceeding"). On March 31, 2025, Defendant moved to withdraw the reference of the Adversary Proceeding to this Court. (See ECF Nos. 1-4.) Defendant's deadline to move, answer, or otherwise respond to the Complaint, as set in the Adversary Proceeding, was April 23, 2025.

The parties have conferred and respectfully submit the attached Stipulation and Proposed Order providing, subject to the Court's approval, that: (1) Plaintiff consents to withdrawal of the reference so that this action may proceed in this Court; (2) given the number of causes of action asserted and taking into account the schedules and commitments of counsel, Defendant's answer or motion to dismiss the complaint is due on or before May 9, 2025; (3) Plaintiff's opposition to any motion to dismiss or amended complaint is due on or before June 23, 2025; and (4) Defendant's reply in support of any motion to dismiss is due on or before July 23, 2025.

This is the first request for the relief sought and all parties consent to this request. This request will affect the pre-trial conference currently set for April 30, 2025, before the Bankruptcy Court in the Adversary Proceeding.

Should this Court have any questions, the parties will make themselves available at the Court's convenience.

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Respectfully submitted,

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Encl.

cc: All Counsel of Record (via ECF)

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Counsel for Defendant Chainalysis Inc.

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re:	: Chapter 11
	:
CELSIUS NETWORK LLC, <i>et al.</i> , ¹	: Case No. 22-10964 (MG)
	:
Reorganized Debtors.	: (Jointly Administered)
	:
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	:
CELSIUS NETWORK LLC and affiliated	:
post-Effective Date Debtors, by and through	: Adv. Proc. No. 25-01045 (MG)
the Blockchain Recovery Investment Consortium,	:
LLC, acting in its capacity as the Complex Asset	: Civil No. 25 Civ. 2669 (MMG)
Recovery Manager and Litigation Administrator,	:
	:
Plaintiff,	:
	:
- against -	:
	:
CHAINALYSIS INC.,	:
	:
Defendant.	:
	:
-----	X

**STIPULATION CONSENTING TO DEFENDANT’S MOTION TO WITHDRAW THE
REFERENCE OF THE ABOVE-CAPTIONED ADVERSARY PROCEEDING AND
~~PROPOSED~~ ORDER EXTENDING TIME TO RESPOND TO THE COMPLAINT**

WHEREAS, on March 22, 2025, Celsius Network LLC and its affiliated debtors, by and through the Blockchain Recovery Investment Consortium, LLC, acting in its capacity as the Complex Asset Recovery Manager and Litigation Administrator (“Plaintiff”), commenced the above-captioned adversary proceeding by filing a complaint (the “Complaint”) asserting sixteen

¹ The Debtors in these Chapter 11 cases (“Celsius Debtors”), along with the last four digits of their federal tax identification numbers, are: Celsius Network LLC (2148) (“Celsius”); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); Celsius US Holding LLC (7956); GK8 Ltd (1209); GK8 UK Limited (0893); and GK8 USA LLC (9450).

causes of action (the “Adversary Proceeding”) against Defendant Chainalysis Inc. (“Defendant”);

WHEREAS, Defendant has agreed to accept service while preserving all defenses other than with respect to the manner and sufficiency of service;

WHEREAS, pursuant to Federal Rule of Bankruptcy Procedure 7012, Defendant’s current deadline to move, answer, or otherwise respond to the Complaint in the Adversary Proceeding is April 23, 2025;

WHEREAS, on March 31, 2025, Defendant filed a Motion to Withdraw the Reference of the Adversary Proceeding;

WHEREAS, although Plaintiff continues to contend its claims are core, it has decided to consent to a withdrawal of the reference of the Adversary Proceeding for reasons unrelated to its ability to argue that the bankruptcy court has core jurisdiction;

WHEREAS, counsel for Plaintiff and Defendant conferred and have agreed to the withdrawal of the reference so that this claim may proceed without reference in the United States District for the Southern District of New York (the “District Court”), effective as of April 3, 2025;

WHEREAS, subject to approval of this Stipulation by the District Court, Defendant shall have an extension to respond to the Complaint in light of the number of causes of action asserted and taking into account the schedules and commitments of counsel; and

WHEREAS, there have been no previous extensions to Defendant’s time to answer, move, or otherwise respond to the Complaint;

NOW THEREFORE, Plaintiff and Defendant, by and through their undersigned counsel, hereby stipulate and agree as follows, subject to the approval of the Court:

1. Plaintiff and Defendant each hereby consent to withdrawal of the reference of the Adversary Proceeding.

2. By accepting service of the Summons and Complaint, Defendant reserves all defenses other than with respect to the manner and sufficiency of service of process.

3. Defendant shall answer, move, or otherwise respond to the Complaint on or before May 9, 2025.

4. In the event Defendant files a motion to dismiss the Complaint, Plaintiff shall file any opposition papers or amended complaint on or before June 23, 2025.

5. Defendant shall file any reply papers on or before July 23, 2025.

The above deadlines may be further modified or adjourned by agreement of the parties with order of the Court.

Dated: New York, New York
April 4, 2025

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Counsel to Litigation Administrator

Dated: New York, New York
April 8, 2025

Pursuant to the parties' consent to withdrawal of the reference of the Adversary Proceeding, Chainalysis, Inc.'s Motion to Withdraw the Reference (Dkt. No. 1) is hereby GRANTED on consent.

The Clerk of Court is directed to terminate Dkt. No. 1.

SO ORDERED:



THE HONORABLE MARGARET M. GARNETT
UNITED STATES DISTRICT JUDGE